

Message Text

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ACTION COME-00

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/053 W

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P R 091725Z JAN 76

FM AMCONSUL RIO DE JANEIRO

TO SECSTATE WASHDC PRIORITY 3215

INFO AMEMBASSY BRASILIA

AMCONSUL SAO PAULO

AMCONSUL SALVADOR UNN

UNCLAS RIO DE JANEIRO 0117

EO 11652: NA

TAGS: BEXP BR

SUBJ: US POLLUTION CONTROL EQUIPMENT TRADE MISSION

REF: A. STATE 296382 (75); B. STATE 299040, 299041 AND 299042,
DEC 75; C. STATE 1013; D. STATE 1912

1. CATALOGS OF SIX FIRMS MENTIONED REF A HAVE NOT RPT NOT YET
BEEN RECEIVED. WE CANNOT MAKE ASSESSMENT OF MARKET POTENTIAL ON
BASIS OF VERY GENERAL DESCRIPTION REF A.

2. FOLLOWING ARE COMMENTS ON PRODUCTS OFFERED BY FIRMS MENTIONED
STATE 299040 AND 1013: (A) KAHL SCIENTIFIC INSTRUMENTS CORP.:

THIS FIRM OFFERS A WIDE RANGE OF INSTRUMENTS FOR METEOROLOGY
AND OCEANOGRAPHY FAR BROADER THAN JUST POLLUTION MEASUREMENT.
OUR RECORDS SHOW THAT THIS COMPANY IS ALREADY REPRESENTED IN
BRAZIL BY THE SAO PAULO FIRM ICL INSTRUMENTOS CIENTIFICOS LTDA.
MOST INSTRUMENTS OFFERED WOULD PROBABLY FALL WITHIN HEADING
90.14 OF THE BRAZILIAN TARIFF WHICH IS COMPRISED OF SURVEYING,
HYDROGRAPHIC, NAVIGATIONAL, METEOROLOGICAL, HYDROLOGICAL AND
GEOPHYSICAL INSTRUMENTS. ALMOST ALL SUBHEADINGS UNDER 90.14
ARE ASSESSED 15 PERCENT IMPORT DUTIES. SINCE KAHL IS ALREADY
REPRESENTED IN BRAZIL, WE BELIEVE IT IS AWARE OF THE MARKETING

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POSSIBILITIES IN THIS COUNTRY. TOTAL BRAZILIAN IMPORTS OF INSTRU-

MENTS CLASSIFIED UNDER HEADING 90.14 AMOUNTED TO 11.5 MILLION DOLLARS IN 1974. (B) REYCO INDUSTRIES INC.: MOST REYCOLOGY SYSTEMS' COMPONENTS ARE MANUFACTURED IN BRAZIL. THEREFORE, REYCO MAY WISH TO PENETRATE THE MARKET BY ESTABLISHING JOINT VENTURES OR LICENSING AGREEMENTS FOR LOCAL MANUFACTURE OF SYSTEMS AND SHIPPING OF KEY COMPONENTS NOT LOCALLY PRODUCED. (C) DIACLEAR: ALTHOUGH INDUSTRIAL FILTERS ARE MANUFACTURED IN BRAZIL, DIACLEAR MAY FIND POTENTIAL FOR HYDRO-BALANCED INDUSTRIAL FILTERS. CHANCES FOR PENETRATING THE MARKET MAY BE ENHANCED BY MANUFACTURING BULK PARTS, (IE, TANKS, PIPES, ETC) LOCALLY AND SHIPPING MAIN FILTERING COMPONENTS. (D) ANATOLE J. SIPIN CO.: INSTRUMENTS MANUFACTURED BY COMPANY WOULD PROBABLY BE ASSESSED 15 PERCENT IMPORT DUTY, FALLING UNDER HEADING 90.25 OF BRAZILIAN TARIFF WHICH IS COMPRISED OF INSTRUMENTS AND APPARATUS FOR PHYSICAL OR CHEMICAL ANALYSIS. FEDERAL REGULATIONS REGARDING MINIMUM ENVIRONMENT REQUIREMENTS AT FACTORIES ARE ENFORCED BY THE MINISTRY OF LABOR, DIVISION OF INDUSTRIAL SAFETY. THE MINISTRY OF LABOR, AND LARGE INDUSTRIES IN BRAZIL, WOULD BE POTENTIAL CUSTOMERS FOR SIPIN. IF THE COMPANY DECIDES TO PARTICIPATE IN MISSION, WE WILL BE PLEASED TO MAKE APPROPRIATE CONTACTS WITH MINISTRY OF LABOR. SIPIN SHOULD BEAR IN MIND, HOWEVER, THAT GOVERNMENT AGENCIES IMPORTS FOR 1976 ARE TO BE CUT BY 25 PERCENT (AS COMPARED WITH 1975), WHICH MAY MAKE IMMEDIATE SALES TO THE MINISTRY OF LABOR SOMEWHAT DIFFICULT. COMPANY'S APPROACH TO THE BRAZILIAN MARKET SHOULD BE BASED ON MEDIUM AND LONG TERM SALES EXPECTATIONS.

3. CONGEN ALSO RECEIVED FROM COMMERCE (TRANSMITTAL SLIP OF 12/23/75), PRODUCT LITERATURE OF DYNA-THERM CORPORATION, HOUSTON, TEXAS 77006 WHICH WAS NOT MENTIONED IN ANY OF REFERENCED COMMUNICATIONS. IMPORT DUTIES ON THE SEPARATORS MANUFACTURED BY DYNA-THERM WILL PROBABLY BE 75 PERCENT SINCE THEY WOULD BE CLASSIFIED AS SUB-HEADING 84.18.99.01. COMPANY'S PRODUCTS MIGHT BE OF INTEREST TO BRAZIL'S CHEMICAL, PETROLEUM AND PETROCHEMICAL INDUSTRIES.

4. FROM FOUR FIRMS WHICH SIGNED PARTICIPATION AGREEMENTS (MENTIONED IN STATE 299042 AND 1912), WE HAVE RECEIVED CATALOGS AND ALREADY COMMENTED ON PRODUCTS OFFERED BY ENVIRONMENTAL ELEMENTS CORPORATION (SEE RIO 4277 OF DEC 31, 75) AND CHEMTEC (SEE RIO 44, JAN 6, 76). OUR COMMENTS ON PRODUCTS OFFERED BY TWO OTHER FIRMS FOLLOW:
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(A) TEPCO INC.: AS MENTIONED IN PREVIOUS MESSAGES, ELECTROSTATIC PRECIPITATORS ARE ALREADY MANUFACTURED IN BRAZIL, WITH SOME COMPONENTS STILL IMPORTED. WE RECOMMEND THAT TEPCO INC. INCLUDE IN ITS MARKETING OBJECTIVES THE EVENTUAL ESTABLISHMENT OF JOINT VENTURES OR LICENSING AGREEMENTS WITH BRAZILIAN FIRMS FOR THE MANUFACTURE OF THEIR PRECIPITATORS IN BRAZIL, SHIPPING SOME COMPONENTS FROM THE US. (B) GENERAL RESOURCES CORP.: WE NOTICE THAT THIS FIRM IS OPEN TO CONSIDER ANY FORM OF MARKET PENETRATION.

WE WELCOME SUCH OVERT APPROACH WHICH INCREASES CHANCES OF SUCCESS.

5. OUR RECORDS SHOW THAT ZURN INDUSTRIES INC. WAS REPRESENTED
IN 1971 BY THE RIO DE JANEIRO FIRM L.A. LYNCH REPRESENTACOES LTDA.
DOES THIS OR ANOTHER FIRM STILL REPRESENT ZURN?

6. WE HAVE NOW COMPLETED REVIEW OF PRODUCTS OFFERED BY ALL
COMPANIES WHOSE CATALOGS WERE RECEIVED FROM COMMERCE AND BY TWO
OTHER FIRMS WHICH HAVE SIGNED PARTICIPATION AGREEMENTS, BUT FOR
WHICH WE DID NOT RECEIVE CATALOGS.
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